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Ukraine Introduced Waste Packaging Utilization Import Requirement

Report Categories:

FAIRS Subject Report

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Report Highlights:

After a month of hesitation and uncertainty Ukraine will require each importer of packaged products to present a contract with a waste utilizing facility at the point of entry in order to proceed with custom clearance. This requirement is enforced starting August 27th, 2009.

General Information:

On July 31st, 2009 the Ministry of Economy of Ukraine in cooperation with the Ministry of Environment and State Customs Service introduced a compulsory recycling requirement for packaging materials of all products imported into Ukraine. This requirement was stated in joint Order No. 789/414/709 adopted on July 31st, 2009.

This new regulation is based on two paragraphs of the Law of Ukraine “On wastes” adopted in

1998. According to these paragraphs Ukrainian businesses must assess the danger of the wastes and envisage processing or re-export of packaging materials while signing import contracts. The Order No. 789/414/709 would interpret and expand the Law. According to the order the following procedure would take place:

1. The Customs Officer would not clear the shipment without a stamp affixed by the State Ecology Inspector. The stamp is to be affixed on the official Custom Declaration form.
2. The inspector would affix the stamp only if proof exists of a packaging materials processing contract between the importer and processing facility.
3. The Order envisages creation of a database for processing contracts registration.

After about two weeks of requiring importers to obtain contracts for recycling waste, the State Customs Service suspended this order. This suspension was communicated to Customs by the State Customs Service of Ukraine Letter No.11/1-10.10/7798-EP dated 14 August 2009. The official reasons for suspensions were technical problems as well as a desire to insure uninterrupted flow of budget payments from the import duties. Thus importers were subject to new regulation from July 31st to August 14th, 2009.

Upon resolution of technical problems associated with Joint Order No. 789/414/709 Ukraine's Customs Service renewed the requirement of compulsory packaging recycling from August 27th, 2009. This requirement was reinstituted by the Letter No. 11/1-10.10/8065-EP adopted on August 21, 2009. Thus, importers of packaged products are subject to this regulation.

According to FAS/Kiev estimates importers of US meat and fish products will face an additional waste-recycling fee of around \$300 per 25 ton container. Imports of high value-added products are not significant and packaging can be quite diverse, thus additional costs are hard to estimate. Additional costs will be incurred if the shipment is to be split and consumed in different regions and when shipment is too small to have economically sound contract. Current legislation does not explain how the contract database is going to be used by the Ministry of Environment and how presented and registered contracts will be traced.

FAS/Kiev got in touch with the National Enquiry and Notification Point (NENP) of Ukraine asking about packaging recycling regulation. An official WTO notification of this Law was not filed and will not be filed since NENP considers this Order to be an administrative change.